



March 16, 2005

TO: Democratic Colleagues

FR: Hon. Robert Menendez
Hon. James E. Clyburn

RE: Materials for a Bilingual Townhall Meeting

This week's *Latino Leadership Link* (LLL) contains materials to help Members hold a bilingual Social Security Townhall Meeting.

The President is trying to convince America that Social Security is in a crisis, but that simply isn't true. We have time to address any problems in the system in order to preserve and strengthen Social Security for generations to come. Under current law, if we do absolutely nothing to Social Security, the Trust Fund will pay full benefits to all beneficiaries for almost 5 decades (until 2052). And even then, the Trust Fund is not bankrupt; beneficiaries would continue to receive 80% of their benefits even after that date. This issue is particularly important for Hispanics because for many, Social Security is their only source of retirement income, and they benefit disproportionately from the progressive nature of Social Security as Hispanics earn lower wages during their working years (\$21,600 for Hispanics compared to \$27,500 for the general population). Don't be fooled by the Republican rhetoric; the reality is that the President's plan is a bad deal – a bad deal for seniors, a bad deal for young people, a bad deal for the economy, and particularly a bad deal for Hispanics.

Attached you will find:

- 1 Talking Points for Bilingual Townhall Meeting (in English and Spanish)
- 2 Charts for Bilingual Townhall Meeting (in English and Spanish)

If you or anyone on your staff has any questions regarding this issue, please feel free to contact Ivan Zapien at 6-3210.



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SOCIAL SECURITY BILINGUAL TOWNHALL MEETING

- The President is trying to convince America that Social Security is in a crisis, but that simply isn't true. We have time to address any problems in the system in order to preserve and strengthen Social Security for generations to come.
- Under current law, if we do absolutely nothing to Social Security, the Trust Fund will pay full benefits to all beneficiaries for almost 5 decades (until 2052). And even then, the Trust Fund is not bankrupt; beneficiaries would continue to receive 80% of their benefits even after that date.
- The President's proposal would take what he calls a "crisis" and make it even worse. Because the President's privatization siphons \$4.9 trillion out of the Trust Fund in the first 20 years, he would hasten the insolvency date by more than a decade.
- Social Security by the Numbers:
 - 33 million seniors rely on Social Security for their retirement
 - 48% of those seniors would live in poverty without Social Security benefits
 - Social Security will remain solvent for 47 years, even if we do nothing at all
 - The President's proposal will cut retiree benefits, as well as survivor and disability benefits, by 46%
 - This will result in smaller annual increases in benefits, costing each retiree about \$152,000 over their lifetime.
 - The President's plan would drain almost \$5 trillion from the trust fund
 - The President's plan will impose a 70% "privatization tax" on all private accounts
 - If the President's plan were in place today, seniors would see their monthly benefits cut from about \$955 to \$516.
- Hispanics and Social Security
Changes to Social Security are particularly important to the Hispanic community.
 - Hispanics are the fastest growing population and will represent 25% of America by 2050, and are younger, by a decade, than the rest of America. That means our kids and grandkids will bear the biggest burden of the



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Latino Leadership Link

Robert Menendez, Chairman A Weekly Democratic Caucus Update on the Hispanic Community

additional debt imposed by the President's plan, and a recent poll by the AARP showed that 3 out of 4 Latinos don't relish the idea of dumping this debt on future generations.

- 2.3 million Hispanics receive Social Security benefits
- Without Social Security, the number of Hispanics living in poverty would more than double from today's 19% to 55%
- 81% of Hispanic seniors have no pension benefits
- 72% of Hispanics have no savings for retirement
- 41% of Hispanics rely on Social Security for all of their retirement income
- 75% of Hispanics rely on Social Security for a majority of their income
- Hispanics are 40% more likely to receive disability benefits.
- In 2001, the average monthly benefit for Hispanics was \$655 compared to \$955 for the overall average.
- If the Republican proposal were in place today, the average monthly benefit for Hispanics would be reduced to just \$354. And remember, for 41% of Hispanic seniors that is their *sole* source of income.
- Minorities also benefit from the progressive nature of Social Security because Hispanics earn lower wages during their working years (\$21,600 for Hispanics compared to \$27,500 for the general population). Social Security beneficiaries who earned the lowest wages during their working years receive about 56% of their pre-retirement earnings in their Social Security benefits, while higher wage earned receive only about 35%.
- Don't be fooled by the Republican rhetoric; the reality is that the President's plan is a bad deal – a bad deal for seniors, a bad deal for young people, a bad deal for the economy, and particularly a bad deal for Hispanics.



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REUNION BILINGUE SOBRE EL SEGURO SOCIAL

El Presidente intenta convencer al público estadounidense que el seguro social se encuentra en crisis, pero esto simplemente es falso. Tenemos tiempo para tratar a los problemas del programa para poder preservar y asegurar al Seguro Social para muchas generaciones.

Bajo la ley actual, si le hacemos absolutamente nada al programa del Seguro Social, el fondo de fideicomisos puede pagar beneficios completos a todos los jubilados por casi cinco décadas (hasta el 2052) Y después e esta fecha, continuaría a pagar el 80% de los beneficios.

La propuesta del presidente tomaría lo que él llama una crisis y los hace peor. Por el hecho de que el plan de privatización del Presidente toma \$4.9 trillones del fondo de fideicomisos durante los primeros 20 años, él acelera la fecha de insolvencia por más de una década.

DATOS DE SEGURO SOCIAL

- 33 millones de jubilados dependen en sus beneficios de Seguro Social para su jubilación
- 48% de los jubilados vivieran en pobreza sin sus beneficios
- El Seguro Social es Solvente para otros 47 años
- Bajo la propuesta del Presidente los beneficios de jubilación, de sobreviviente y de incapacidad tendrán recortes de 46%.
- Estos recortes en beneficios resultarán en aumentos anuales menores, lo cual les costaran \$152,000 a través de la vida de cada beneficiario
- El plan del Presidente resultara en una reducción de \$5 trillones de dólares del fondo de fideicomisos
- El plan del Presidente impone un impuesto de privatización de 70% en todas las cuentas Privadas
- Si pusieramos a trabajar el plan del Presidente hoy día, el beneficio promedio de los jubilados disminuiría de \$955 a \$516

LOS HISPANOS Y EL SEGURO SOCIAL

Cambios al programa de Seguro Social son de suma importancia para la comunidad latina. Los latinos son la población de mayor crecimiento en los Estados Unidos y representaran el 25% de la población nacional en el 2050. Además, los latinos son



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menores de edad por una década que el resto del país. Esto indica que nuestros hijos y nietos tendrán que costear la mayor parte de las deudas adicionales que serán creadas por el plan del Presidente. Una encuesta recién por AARP (anteriormente conocida como American Association of Retired Persons; en español: la Asociación de Jubilados de los Estados Unidos) indica que 3 de cada 4 latinos no les gusta la idea de imponer esta deuda en generaciones futuras.

- Actual hay 2.3 millones de hispanos recibiendo beneficios de Seguro Social
- Sin sus beneficios de Seguro Social, el numero de hispanos viviendo en pobreza aumentaría del 19% hasta el 55%
- 81% de Jubilados Hispanos no tienen plan de pensión privada
- El 72% de Hispanos no tienen ahorros para el retiro
- El 41% de beneficiarios hispanos tienen el Seguro Social como su única forma de ingreso
- El 75% de hispanos confían en el Seguro Social para la mayor parte de su ingreso
- Los hispanos son 40% mas probable de recibir beneficios de incapacidad
- En el año 2001, el promedio de benéfico mensual para los hispanos era \$655 comparado al \$955 para la población en general
- Si pusiéramos a trabajar el plan del Presidente hoy día, el beneficio promedio de los jubilados disminuiría a \$354. y recuerde que para 41% de los jubilados latinos, el Seguro Social es su única fuente de ingreso para el retiro.

Los grupos minoritarios también benefician de la progresividad del programa del Seguro Social por el hecho de que los hispanos ganan sueldo menores durante sus años como trabajadores (\$21,600 para hispanos comparado a \$27,500 para la población en general). Los beneficiarios del Seguro Social quienes ganan los sueldos mas bajos durante sus años de trabajo reciben el 56% de su sueldo antes de jubilación como su beneficio, mientras que trabajadores con sueldo mayores reciben solo el 35%.

No dejes que la retórica de los republicanos te confunda; la realidad es que el plan del presidente para privatizar al Seguro Social es un mal negocio - es un mal negocio para los jubilados, un mal negocio para los jóvenes, un mal negocio para la economía y para los hispanos.



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